

out services, shall adopt rules for the environmentally safe use of municipal sewage sludge and septage in this state.

The department of ecology, after consulting with representatives from the pulp and paper industry and the food processing industry, may adopt rules for the environmentally safe use of appropriate industrial sludges, such as pulp and paper sludges or food processing wastes, used to improve the texture or nutrient content of soils.

The department of ecology, in conjunction with the department of social and health services and the department of agriculture, shall adopt rules establishing labeling and notification requirements for sludge material sold commercially or given away to the public. The department shall specify mandatory wording for labels and notification to warn the public against improper use of the material. ***The department shall submit a report to the appropriate standing committees of the legislature by January 1, 1987, on its implementation of this chapter.***

*Sec. 1 was partially vetoed, see message at end of chapter.

Passed the Senate March 9, 1986.

Passed the House March 4, 1986.

Approved by the Governor April 4, 1986, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State April 4, 1986.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to one portion, Engrossed Substitute Senate Bill No. 4790, entitled:

"AN ACT Relating to sludge."

The last sentence of this bill requires the Department of Ecology to submit a report to the Legislature by January 1, 1987, regarding its implementation of "this chapter."

Although it appears that the intent of this language is to require a report on the implementation of this bill, the language legally requires a report on the entire Solid Waste Management chapter of the State Code.

To avoid any confusion, I have vetoed this sentence and have directed the Department to report to the Legislature by next January 1 regarding implementation of the bill.

With the exception of this sentence, Engrossed Substitute Senate Bill No. 4790 is approved."

CHAPTER 298

[Engrossed Second Substitute Senate Bill No. 4626]

HOUSING TRUST FUND—HOUSING ASSISTANCE FOR LOW-INCOME PERSONS

AN ACT Relating to the housing trust fund; and adding a new chapter to Title 43 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that current economic conditions, federal housing policies and declining resources at the federal, state, and local level adversely affect the ability of low and very low-income persons to obtain safe, decent, and affordable housing.

The legislature further finds that members of over one hundred twenty thousand households live in housing units which are overcrowded, lack plumbing, are otherwise threatening to health and safety, and have rents and utility payments which exceed thirty percent of their income.

The legislature further finds that minorities, rural households, and migrant farm workers require housing assistance at a rate which significantly exceeds their proportion of the general population.

The legislature further finds that one of the most dramatic housing needs is that of persons needing special housing-related services, such as the mentally ill, recovering alcoholics, frail elderly persons, and single parents. These services include medical assistance, counseling, chore services, and child care.

The legislature further finds that housing assistance programs in the past have often failed to help those in greatest need.

The legislature declares that it is in the public interest to establish a continuously renewable resource known as a housing trust fund to assist low and very low-income citizens in meeting their basic housing needs, and that the needs of very low-income citizens should be given priority.

NEW SECTION. Sec. 2. There is hereby created a fund in the office of the treasurer known as the Washington housing trust fund. The treasurer shall serve as the trustee thereof and shall make disbursements therefrom as directed by this chapter. The housing trust fund shall include revenue from the sources established by this chapter, appropriations by the legislature, private contributions, and all other sources.

NEW SECTION. Sec. 3. "Department" means the department of community development. "Director" means the director of the department of community development.

***NEW SECTION.** Sec. 4. *The treasurer shall transfer to the department upon the request of the director such funds as may be immediately necessary to implement the purposes of this chapter. Such transfers shall be made from the housing trust fund established by section 2 of this act.*

*Sec. 4 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 5. The treasurer, as trustee, shall invest housing trust fund revenues in investment instruments as part of the portfolio it manages for state funds.

NEW SECTION. Sec. 6. (1) The department shall use funds from the housing trust fund to finance in whole or in part any loans or grant projects that will provide housing for persons and families with special housing needs and with incomes at or below fifty percent of the median family income for

the county or standard metropolitan statistical area where the project is located. Not less than thirty percent of such funds used in any given biennium shall be for the benefit of projects located in rural areas as defined in 63 Stat. 432, 42 U.S.C. Sec. 1471 et seq.

(2) Activities eligible for assistance include, but are not limited to:

(a) New construction, rehabilitation, or acquisition of low and very low-income housing units;

(b) Rent subsidies in new construction or rehabilitated multifamily units;

(c) Matching funds for social services directly related to providing housing for special-need tenants in assisted projects;

(d) Technical assistance, design and finance services and consultation, and administrative costs for eligible nonprofit community or neighborhood-based organizations;

(e) Administrative costs for housing assistance groups or organizations when such grant or loan will substantially increase the recipient's access to housing funds other than those available under this chapter;

(f) Shelters and related services for the homeless;

(g) Mortgage subsidies for new construction or rehabilitation of eligible multifamily units;

(h) Mortgage insurance guarantee or payments for eligible projects; and

(i) Acquisition of housing units for the purpose of preservation as low-income or very low-income housing.

NEW SECTION. Sec. 7. Organizations that may receive assistance from the department under this chapter are local governments, local housing authorities, nonprofit community or neighborhood-based organizations, and regional or state-wide nonprofit housing assistance organizations.

NEW SECTION. Sec. 8. (1) During each calendar year in which funds are available for use by the department from the housing trust fund, as prescribed in section 2 of this act, the department shall announce to all known interested parties, and through major media throughout the state, a grant and loan application period of at least ninety days' duration. This announcement shall be made as often as the director deems appropriate for proper utilization of resources, but at least twice annually. The department shall then promptly grant as many applications as will utilize available funds less appropriate administrative costs of the department, not to exceed five percent of annual revenues to the fund.

(2) The department shall give first priority to applications for projects and activities which utilize existing privately owned housing stock including privately owned housing stock purchased by nonprofit public development authorities. Such projects and activities shall be evaluated under subsection (3) of this section. Second priority shall be given to activities and

projects which utilize existing publicly owned housing stock. Such projects and activities shall be evaluated under subsection (3) of this section.

(3) The department shall give preference for applications based on the following criteria:

- (a) The degree of leveraging of other funds that will occur;
- (b) Recipient contributions to total project costs, including allied contributions from other sources such as professional, craft and trade services, and lender interest rate subsidies;
- (c) Local government project contributions in the form of infrastructure improvements, and others;
- (d) Projects that encourage ownership, management, and other project-related responsibility opportunities;
- (e) Projects that demonstrate a strong probability of serving the original target group or income level for a period of at least fifteen years;
- (f) The applicant has the demonstrated ability, stability and resources to implement the project;
- (g) Projects which demonstrate serving the greatest need; and
- (h) Projects that provide housing for persons and families with the lowest incomes.

NEW SECTION. Sec. 9. (1) The department may use moneys from the housing trust fund to provide preconstruction technical assistance to eligible recipients seeking to construct, rehabilitate, or finance housing-related services for very low and low-income persons. The department shall emphasize providing preconstruction technical assistance services to rural areas and small cities and towns. The department may contract with nonprofit organizations to provide this technical assistance. The department may contract for any of the following services:

- (a) Financial planning and packaging for housing projects, including alternative ownership programs, such as limited equity partnerships and syndications;
- (b) Project design, architectural planning, and siting;
- (c) Compliance with planning requirements;
- (d) Securing matching resources for project development;
- (e) Maximizing local government contributions to project development in the form of land donations, infrastructure improvements, waivers of development fees, locally and state-managed funds, zoning variances, or creative local planning;
- (f) Coordination with local planning, economic development, and environmental, social service, and recreational activities;
- (g) Construction and materials management; and
- (h) Project maintenance and management.

(2) The department shall publish requests for proposals which specify contract performance standards, award criteria, and contractor requirements. In evaluating proposals, the department shall consider the ability of

the contractor to provide technical assistance to low and very low-income persons and to persons with special housing needs.

NEW SECTION. Sec. 10. The director shall monitor the activities of recipients of grants and loans under this chapter to determine compliance with the terms and conditions set forth in its application or stated by the department in connection with the grant or loan.

NEW SECTION. Sec. 11. The department shall have the authority to promulgate rules pursuant to chapter 34.04 RCW, regarding the grant and loan process, and the substance of eligible projects, consistent with this chapter.

NEW SECTION. Sec. 12. *The director shall promptly appoint a low income housing assistance advisory committee composed of a representative from each of the following groups: Apartment owners, mobile home park owners, realtors, mortgage lending or servicing institutions, private nonprofit housing assistance programs, and public housing assistance programs. The advisory group shall advise the director on housing needs in this state, operational aspects of the grant and loan program or revenue collection programs established by this chapter, and implementation of the policy and goals of this chapter.

*Sec. 12 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 13. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 14. Sections 1 through 12 of this act shall constitute a new chapter in Title 43 RCW.

Passed the Senate February 13, 1986.

Passed the House March 5, 1986.

Approved by the Governor April 4, 1986, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State April 4, 1986.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to sections 4 and 12, Enrolled Second Substitute Senate Bill No. 4626, entitled:

"AN ACT Relating to the housing trust fund; and adding a new chapter to Title 43 RCW."

Section 4 of the bill allocates funds from the Housing Trust Fund to the Department of Community Development to administer the act. Until a financing source is established, the act is merely a statement of intent without fiscal impact. I am vetoing this section because the allocation of funds is premature.

The advisory committee established in section 12 is no longer appropriate to the legislation as passed. The composition of the advisory committee should be based on the selection of the source of funding for the trust fund and the affected parties. Once the sources of funding are determined, an advisory committee representing those sources should be established.

While I am vetoing section 12, I will request the Director of the Department of Community Development to work with the appropriate committees of the Legislature in their efforts to evaluate emerging low-income housing needs and potential sources of revenue for the Housing Trust Fund.

With the exception of sections 4 and 12, Engrossed Second Substitute Senate Bill No. 4626 is approved."

CHAPTER 299

[Engrossed Substitute House Bill No. 1687]

PRIVATE VOCATIONAL SCHOOLS

AN ACT Relating to private vocational schools; amending RCW 18.50.040 and 42.17-.310; adding a new chapter to Title 28C RCW; creating a new section; repealing RCW 28B-.05.010, 28B.05.020, 28B.05.030, 28B.05.040, 28B.05.050, 28B.05.060, 28B.05.070, 28B.05.080, 28B.05.090, 28B.05.100, 28B.05.110, 28B.05.120, 28B.05.130, 28B.05.140, 28B-.05.150, 28B.05.160, 28B.05.170, 28B.05.180, 28B.05.190, 28B.05.200, 28B.05.210, 28B.05-.220, 28B.05.230, 28B.05.240, 28B.05.900, 28B.05.950, 43.131.291, and 43.131.292; prescribing penalties; making an appropriation; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. It is the intent of this chapter to protect against practices by private vocational schools which are false, deceptive, misleading, or unfair, and to help ensure adequate educational quality at private vocational schools.

NEW SECTION. Sec. 2. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Agency" means the commission for vocational education or its successor.

(2) "Agent" means a person owning an interest in, employed by, or representing for remuneration a private vocational school within or without this state, who enrolls or personally attempts to secure the enrollment in a private vocational school of a resident of this state, offers to award educational credentials for remuneration on behalf of a private vocational school, or holds himself or herself out to residents of this state as representing a private vocational school for any of these purposes.

(3) "Degree" means any designation, appellation, letters, or words including but not limited to "associate," "bachelor," "master," "doctor," or "fellow" which signify or purport to signify satisfactory completion of an academic program of study beyond the secondary school level.

(4) "Education" includes but is not limited to, any class, course, or program of training, instruction, or study.

(5) "Educational credentials" means degrees, diplomas, certificates, transcripts, reports, documents, or letters of designation, marks, appellations, series of letters, numbers, or words which signify or appear to signify enrollment, attendance, progress, or satisfactory completion of the requirements or prerequisites for any educational program.